

Thirtieth Annual Report of
**THOMPSON-LUNDMARK GOLD MINES
LIMITED**



For the Year Ended June 30th, 1969



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THOMPSON-LUNDMARK GOLD MINES LIMITED

Incorporated under the Laws of Canada

CAPITAL:

Authorized: 5,000,000 Shares of No Nominal or Par Value

OFFICERS:

FREDERICK W. THOMPSON	-	-	-	-	-	-	-	-	-	<i>President</i>
ROBERT D. HOFFMAN	-	-	-	-	-	-	-	-	-	<i>Vice-President</i>
G. P. MITCHELL	-	-	-	-	-	-	-	-	-	<i>Vice-President</i>
B. A. ORR	-	-	-	-	-	-	-	-	-	<i>Secretary-Treasurer</i>

DIRECTORS:

FREDERICK W. THOMPSON	-	-	-	-	-	-	-	-	-	Toronto
ROBERT D. HOFFMAN	-	-	-	-	-	-	-	-	-	Toronto
LANFEAR B. NORRIE	-	-	-	-	-	-	-	-	-	New York
G. P. MITCHELL	-	-	-	-	-	-	-	-	-	Toronto
B. A. ORR	-	-	-	-	-	-	-	-	-	Toronto

TRANSFER AGENT AND REGISTRAR:

PREMIER TRUST COMPANY
19 Richmond Street West
Toronto, Ontario

THOMPSON-LUNDMARK GOLD MINES LIMITED

Directors' Report to the Shareholders

September 5th, 1969.

TO THE SHAREHOLDERS:

Your Directors herewith submit a report of operations and Financial Statements of the Company for the fiscal year ended June 30th, 1969, together with the Auditors' Report to the Shareholders.

We regret to report again that of the many properties we examined during the year none proved to be of importance for further development.

QUEBEC COBALT AND EXPLORATION LIMITED

Since the chief equity of your Company is its approximately 40% interest in Quebec Cobalt and Exploration Limited which owns an iron ore property in the Mount Wright area of Quebec, the following excerpt from the 1968 annual report of Quebec Cobalt and Exploration Limited dated March 25th 1969, may be of interest to you.

"IRON PROPERTIES, MT. WRIGHT, QUEBEC

As you were informed on October 1st, 1968, we received notice of the termination of the lease on the Quebec Cobalt iron properties held jointly by Boulder Lake Mines Inc., wholly owned subsidiary of Cleveland-Cliffs Iron Company and Normanville Mining Company, wholly owned subsidiary of Jones & Laughlin Steel Corporation. Royalties amounting to \$1,008,333.33 have been received.

Originally your company estimated a potential of one billion tons of crude, concentrating iron ore. Subsequently, Jones & Laughlin engineers developed more than half this tonnage through 20,000 feet of diamond drilling, geomagnetic work, and geologic mapping. Their figures were 147 million tons of proven, 56 million tons of possible iron ore concentrates, which at a 2.7 to 1 concentrating ratio is equivalent to 548 million tons of crude. Their stripping ratio was 1.1 tons waste per ton of concentrate, that is 0.4 ton of waste for each ton of crude ore mined. All waste in bands thicker than twenty feet and within pit limits would be stripped and thus bypass the mill.

Jones & Laughlin engineers stated that their Company originally had only contemplated a production rate of three million tons per year of iron ore concentrate. Having readily developed reserves sufficient to maintain this rate of production for half a century, production from any additional reserves would have been so far off in the future as to make further current exploration expenditures economically impractical. Consequently, many promising areas were not drilled or included in the possible ore. Even the main areas were only drilled from along the outcrops to prove these minimum requirements and were not tested for geologically indicated, possible continuations in covered areas. Our total reserve potential is almost an academic question inasmuch as all available evidence points to the possibility of vastly increasing them through further drilling, perhaps even beyond our original estimates.

Of more immediate importance than our total reserve potential is the possibility of increasing the grade of reserves. A study of Jones & Laughlin data by your Geologist has

revealed that areas favourable for substantial tonnages of higher grade iron ore were indicated, but not probed in sufficient degree and detail to change the status of our reserves. It is impossible to translate this geological appraisal into precise figures without considerable additional drilling. However, a prediction that such drilling might develop sufficient higher grade tonnages to raise our overall ore grade to that of other production in the area is not inconsistent with the present data.

Visits by your President to large, open pit mining operations in the American southwest have revealed that since Jones & Laughlin's work a decade ago, considerable improvements have been made in the technology of mining and milling large tonnages, such as exploitation of your Company's iron deposits would entail. In spite of higher costs for labor and materials and a presently lower price for iron ore, use of larger trucks, (100-200 ton units, larger shovels, 19 to 25 yard capacities), larger grinding mills, low cost ammonium nitrate explosives, more precise data and controls, by greatly decreasing unit costs, both in mining and milling, further enhance the economic feasibility of our iron deposits. With these lower projected costs enabling us to increase our stripping ratio of waste to ore, we should easily be able to increase our present ore reserves, even exceed our original tonnage estimates of over one billion tons of crude ore. The chief value of Quebec-Labrador iron deposits, in fact for almost all Canadian deposits, which may be by world standards slightly higher cost operations, is their ready availability, stemming from political stability.

As stated in the Release to shareholders of October 1st 1968, we are exploring the possibility of interesting other groups in the development of our property. Should our negotiations result favorably you will be immediately informed."

Since this report, written in March, your engineers have not only re-examined the data again but have re-visited various operations in the area. It is their opinion now that due to low power consumption in the milling of the operating properties, the extremely efficient railroad operations, the coarseness of the ore minerals, backhauls on large freighters, concentrates from the Quebec-Labrador area can be landed at most major markets at costs competitive with most other major sources of iron ore. Actually Europe with one hundred million tons of sinter capacity has a great need for Quebec-Labrador fines, which, mixed with fines from other sources make an excellent sinter.

OTHER PROPERTIES

No claims were staked in either Quebec or Ontario during the past year.

We have an interest in the Sudbury Mining District where Quebec Cobalt and Exploration Limited has taken a substantial stock position in a drilling venture with Frood Deep Nickel Mines Limited.

We also have an interest in Kapkichi Nickel Mines Limited which optioned its properties to Union Miniere Explorations & Mining Corporation (known as Umex) of Belgium.

GENERAL

As stated above, we acquired no additional properties in the various prospecting areas of Canada, or the U.S.A. during the past year.

We shall continue our exploration work this coming year as in the past.

By Order of the Board,

F. W. THOMPSON,
President.

THOMPSON-LUNDMARK

(Incorporated under)

Balance Sheet

(with comparative figures)

ASSETS

	1969	1968
Current Assets		
Cash in bank	\$ 43,419	\$ 5,700
Accounts receivable	720	116
	<hr/> 44,139	<hr/> 5,816
Shares in Quebec Cobalt and Exploration Limited		
1,384,000 shares at cost (quoted market value, 1969, \$1,799,200; 1968 \$2,214,400, note 1)	285,865	285,865
Shares in Other Companies		
Quoted shares at cost (quoted market value, 1969, \$190,040; 1968, \$274,060)	107,345	172,384
Shares in other mining companies at cost or less	19,297	19,297
	<hr/> 126,642	<hr/> 191,681
Fixed Assets		
Mining claims at cost		
Thompson Lake, Yellowknife Area	38,775	38,775
Interest in claims located in Cobalt area, Ontario	2,668	2,668
Buildings and equipment at Thompson Lake at nominal value	1	1
Office equipment at cost of \$3,333, less accumulated depreciation	1,089	163
	<hr/> 42,533	<hr/> 41,607
Deferred Charges		
Prepaid expenses	225	181
	<hr/> \$ 499,404	<hr/> \$ 525,150

AUDITOR

To the Shareholders of

Thompson-Lundmark Gold Mines Limited

We have examined the balance sheet of Thompson-Lundmark Gold Mines Limited and the statement of profit and loss and the statement of application of funds for the year then ended. Our examination included a general examination of the accounting records and supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company and the application of its funds for the year then ended, in accordance with general principles of accounting.

Toronto, Canada
July 4, 1969

GOLD MINES LIMITED

(*laws of Canada*)

June 30, 1969

(*at June 30, 1968*)

LIABILITIES

Current Liabilities

	1969	1968
Accounts payable	\$ 1,450	\$ 350
Loan payable to Quebec Cobalt and Exploration Limited	10,000	
	1,450	10,350

Other Liabilities

Accrued pension liability (note 2)	49,120	36,840
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SHAREHOLDERS' EQUITY

Capital Stock

Authorized — 5,000,000 shares of no par value		
Issued — 4,993,045	1,371,019	1,371,019

Deficit

	922,185	893,059
	448,834	477,960

Notes:

1. Because of the large number of shares held in Quebec Cobalt and Exploration Limited, the quoted market value does not necessarily indicate either the amount which could be realized on disposal or the value of the underlying assets of the company.
2. The company has agreed to pay pensions to an officer and an employee upon their retirement. The pension cost related to past services of the officer and the employee and not provided for at June 30, 1969 is estimated to amount to approximately \$15,500.

Approved by the Board:

F. W. THOMPSON, Director.

B. A. ORR, Director.

\$ 499,404 \$ 525,150

REPORT

ited as at June 30, 1969 and the statements of income, deficit and source and review of the accounting procedures and such tests of accounting records and other

the company as at June 30, 1969 and the results of its operations and the source accepted accounting principles applied on a basis consistent with that of the preceding

THORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants.

THOMPSON-LUNDMARK GOLD MINES LIMITED

Statement of Income

YEAR ENDED JUNE 30, 1969
(with comparative figures for the year ended June 30, 1968)

	1969	1968
Revenue		
Dividends received (less U.S. tax withheld 1969, \$1,064; 1968, \$1,064)	\$ 9,811	\$ 9,811
Interest earned	426	
	<hr/>	<hr/>
	10,237	9,811
	<hr/>	<hr/>
Expenses		
General expenses at Yellowknife property		
Insurance	435	435
Rental, transmission line right of way	139	139
General expenses	48	100
	<hr/>	<hr/>
	622	674
	<hr/>	<hr/>
Exploration		
Travel and field expenses	9,639	8,926
Lease rentals	20	20
	<hr/>	<hr/>
	9,659	8,946
	<hr/>	<hr/>
Head office administrative expenses		
Directors' fees	358	200
Share issue and transfer expenses	1,353	2,077
Shareholders' reports and meetings	2,970	2,975
Legal fees	75	75
Audit and accounting fees	650	825
Bank interest and charges	50	50
Provision for pension costs	12,280	12,280
General expenses	94	90
Depreciation of office equipment	272	41
	<hr/>	<hr/>
	18,102	18,613
Deduct		
Office service charges to associated companies less expenses incurred	59	1,412
	<hr/>	<hr/>
	18,043	17,201
	<hr/>	<hr/>
	28,324	26,821
	<hr/>	<hr/>
Loss before the following item	18,087	17,010
Loss on shares sold	11,039	
	<hr/>	<hr/>
Loss for the year	\$ 29,126	\$ 17,010
	<hr/>	<hr/>

THOMPSON-LUNDMARK GOLD MINES LIMITED

Statement of Deficit

YEAR ENDED JUNE 30, 1969
 (with comparative figures for the year ended June 30, 1968)

	1969	1968
Deficit at beginning of year	\$ 893,059	\$ 807,195
Add		
Loss for the year	29,126	17,010
Organization expenses written off	8,428	
Write down of buildings and equipment at Thompson Lake	35,317	
Write down of shares in mining companies	25,109	
Deficit at end of year	<u>\$ 922,185</u>	<u>\$ 893,059</u>

Statement of Source and Application of Funds

YEAR ENDED JUNE 30, 1969
 (with comparative figures for the year ended June 30, 1968)

	1969	1968
Source of Funds		
Proceeds from sale of shares in other companies	\$ 54,000	
Decrease in prepaid expenses	\$ 4	
	<u>54,000</u>	<u>4</u>
Application of Funds		
Loss for the year before loss on shares sold	18,087	17,010
Less provision for pension costs and depreciation not requiring current outlay	12,552	12,321
	<u>5,535</u>	<u>4,689</u>
Increase in prepaid expenses	44	
Purchase of office equipment	1,198	
	<u>6,777</u>	<u>4,689</u>
Increase (decrease) in working capital position	47,223	(4,685)
Working capital (deficiency) at beginning of year	(4,534)	151
Working capital (deficiency) at end of year	<u>\$ 42,689</u>	<u>\$ (4,534)</u>

Thompson-Lundmark Gold Mines Limited

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual Meeting of the Shareholders of Thompson-Lundmark Gold Mines Limited will be held at Suite 306, 67 Yonge Street, Toronto, Ontario, on Friday, October 31st, 1969 at the hour of twelve o'clock noon (Toronto Time) for the following purposes:

- (a) to consider and if deemed advisable, approve the 1969 Annual Report which includes the Report of the Directors, the Financial Statements for the period ended June 30, 1969, and the Auditors' Report;
- (b) to elect directors;
- (c) to appoint auditors and to authorize the directors to fix their remuneration;
- (d) to transact all such other business as may properly come before the meeting.

DATED at Toronto, Ontario, this 10th day of September 1969.

BY ORDER OF THE BOARD,

B. A. ORR,
Secretary.

Thompson-Lundmark Gold Mines Limited

Annual Meeting of the Shareholders

OCTOBER 31st, 1969

INFORMATION CIRCULAR

as at September 10th, 1969

Solicitation of Proxies

This information circular is furnished in connection with the solicitation by the management of Thompson-Lundmark Gold Mines Limited ("the Company") of proxies to be used at the Annual Meeting of Shareholders of the Company to be held at the time and place and for the purposes set forth in the accompanying notice of meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by regular personnel of the Company at nominal cost. The cost of solicitation by management will be borne by the Company.

Appointment and Revocation of Proxies

The persons named in the accompanying form of proxy are officers and directors of the Company. A shareholder desiring to appoint some other person to attend and act for him and on his behalf at the meeting may do so either by inserting such other person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed proxy to the Company.

A shareholder who has given a proxy may revoke it either (a) by signing a proxy bearing a later date and delivering it to the Company, or (b) as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by signing written notice of revocation and delivering it to the Company or the Chairman of the meeting or (c) by attending at the meeting and orally revoking such proxy.

Where a proxy is signed by a corporation, its corporate seal must be affixed. Proxies should be signed in the same name as shares are registered. Title should be given when signing in a representative capacity.

Exercise of Discretion by Proxies

The shares represented by the proxy will, subject to Section 105 of The Securities Act 1966, Ontario, be voted and, where the person whose proxy is solicited specifies a choice with respect to any matter to be acted upon, be voted in accordance with the specification so made. In the absence of such specifications, such shares will be voted in favour of:

- (a) the approval of the 1969 Annual Report which includes the Report of the Directors, the Financial Statements for the period ended June 30, 1969, and the Auditors' Report;
- (b) the election as directors of the nominees described below;
- (c) the appointment as auditors of Thorne, Gunn, Helliwell & Christenson with authority to the directors to fix their remuneration.

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting and any adjournment thereof. At the time of printing this Circular the management of the Company knows of no such amendments, variations or other matters to come before the meeting other than the matters referred to in the notice of the meeting.

Voting Shares and Principal Holder Thereof

On the date hereof, the Company had outstanding 4,993,045 shares with no par value and each carrying the right to one vote per share. The directors and senior officers of the Company do not know of any person beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all issued shares of the Company. However, Falconbridge Nickel Mines Limited, 7 King Street East, Toronto 1, Ontario, owns directly 600,000 shares, being approximately 12.2%.

Shareholders of record at the time of the meeting will be entitled to attend and vote at the meeting. Shareholders are urged to see that the Transfer Agent, The Premier Trust Company, 19 Richmond Street West, Toronto, Ontario, has their current address.

Election of Directors

The Board consists of five directors. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, all of whom are now members of the board of directors and have been since the dates indicated. The management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next Annual Meeting or until his successor is duly elected unless his office is earlier vacated in accordance with the by-laws.

The following table states the names of all the persons proposed to be nominated for election as directors, all other positions and offices with the Company now held by them, their principal occupations and number of shares of the Company beneficially owned directly or indirectly by each of them at the date hereof.

Name	Principal Occupation	Became a Director	Shares Held
F. W. Thompson	Mining Executive	1938	50,375
R. D. Hoffman	Mining Engineer	1952	11,242
L. B. Norrie	Mining Engineer	1938	7,244
G. P. Mitchell	Geologist	1962	1
B. A. Orr	Corporate Secretary	1962	24,765

Remuneration of Directors and Senior Officers

No remuneration other than a nominal fee on attendance at meetings was paid or is payable by the Company to the directors and senior officers of the Company as such for the fiscal year ended June 30, 1969. The aggregate of such nominal fees was \$358.00.

Appointment of Auditors

The persons named in the enclosed form of proxy intend to vote for the reappointment of Thorne, Gunn, Helliwell & Christenson, Chartered Accountants, Toronto, as auditors of the Company, to hold office until the next Annual Meeting of Shareholders. Thorne, Gunn, Helliwell & Christenson or their predecessors have been auditors of the Company for more than five years.

